

TACOMA NARROWS BRIDGE UPDATE

BRIEFING PAPER

Prepared for the

JULY 2002 TRANSPORTATION COMMISSION MEETING

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Reviewed By: Randy Hain, Olympic Region Administrator

Approved By: Richard Ybarra, Asst. Secretary Finance and Administration

Approved By: John Okamoto, Asst. Secretary Northwest Washington

PURPOSE:

To provide an update of ongoing activities related to the Tacoma Narrows Bridge Project.

ACTION/OUTCOME:

Information only, no action required.

BACKGROUND:

Continuing to provide the Commission with information concerning the Tacoma Narrows Bridge Project, Linea Laird will provide an update on progress on the project schedule of key activities.

Additionally, at last month's meeting Commissioners requested information regarding the Financing Plan and the Traffic and Revenue Study. Amy Arnis will present a Preliminary Financial Plan and Paul Marcela of Wilbur Smith and Associates will provide a presentation concerning the Final Traffic and Revenue Study.

DISCUSSION:

Project Schedule – Key Activities

A schedule for accomplishing key project is attached. As previously discussed, resolution of Developer Agreement issues has taken somewhat longer than originally expected, though well within the timeline needed to move forward. Discussions with TransCore concerning the tolling system contract agreements are now underway as well. Work on other key activities is ongoing and while there are minor changes from last month, work is proceeding on schedule.

As discussed last month, several of the project agreements are nearing conclusion. A Tacoma Narrows Bridge major milestone has been reached concerning finalizing negotiations and execution of the Design Build Agreement. The Design Build Agreement is close to execution. A summary of Major Provisions of the Design Build Agreement, a Fixed Price Cost Information sheet, and a summary construction schedule is provided.

Final Traffic and Revenue Study

Work on the project's traffic and revenue study was suspended in July of 2001, before a final document was prepared. With the passage of EHB 2723 and the supplemental transportation budget, WSDOT entered into a consultant agreement with Wilbur Smith and Associates (previously under contract with UIW) to finalize the traffic and revenue study. This document includes a detailed economic and traffic analysis of the project tolling area. This information is used to project traffic volumes that underlie toll rates and revenue projections for the project. A breakdown of daily traffic volumes, projected toll rates, estimated revenues, and debt service values will be presented with this discussion.

Preliminary Financial Plan

The legislation that passed during the 2002 session, EHB 2723, allowed state financing to construct the Tacoma Narrows Bridge project using state issued bonds backed by toll revenues. This legislation required any debt service payments made on bonds from the Motor Vehicle Fund be reimbursed from the Tacoma Narrows Toll Bridge Account. Revenue deposited to the latter account will come from tolls.

The 2002 supplemental transportation budget authorized the sale of up to \$800 million in gas-tax backed bonds (R49 Authorization). Bonds secured by the gas tax are also secured by the general obligation of the state. Gas tax revenues will initially pay debt service with toll revenues required to replenish the motor vehicle funds.

A breakdown of Capital Construction Costs, sources of funds, and recommended preliminary toll rates is attached.

RECOMMENDATION:

No action is required at this time.

For further information, contact: Linea Laird, Tacoma Narrows Bridge Project Manager, 253-534-3110.